



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Planning and Development
Department No.: 053
For Agenda Of: July 11, 2017
Placement: Departmental
Estimated Tme: 2 hours
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Glenn Russell, Ph.D., Director, Planning & Development
Director(s) (805) 568-2085
Contact Info: Jeff Wilson, Deputy Director, Development Review Division
(805) 568-2518

SUBJECT: Rancho La Laguna, LLC & La Laguna Ranch Company, LLC Appeal of the County Planning Commission's Denial of the Rancho La Laguna Tract Map & State Small Water System Project Third & Fifth Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: N/A

Recommended Actions:

On July 11, 2017, staff recommends that your Board take the following actions:

- a) Deny the appeal, Case No. 17APL-00000-00004;
- b) Make the required findings for denial of the project, including CEQA Findings (Attachment 1 to this Board Agenda Letter);

c) Determine that denial of the project (Case Nos. 06TRM-00000-00002/TM 14,709, 16CUP-00000-00030) is exempt from CEQA pursuant to CEQA Guidelines Section 15270 (Attachment 8 to this Board Agenda Letter);

d) Deny the project *de novo* (Case Nos. 06TRM-00000-00002/TM 14,709, 16CUP-00000-00030).

The project site is identified as Assessor Parcel Nos. 133-080-026, 133-080-036, and a portion of 133-080-037, located at the intersection of Alisos Canyon and Foxen Canyon Roads, approximately 7.5 miles northeast of Los Alamos, in the Third and Fifth Supervisorial Districts. Refer back to staff if the Board takes an action other than the recommended action.

Summary Text:

A. Project Description

The proposed project includes a Tentative Tract Map to subdivide the 3,950.8-acre project site into 13 lots ranging in size from 160 acres to 605 acres. A Minor Conditional Use Permit (Case No. 16CUP-00000-00030) is also requested to allow for the installation of a State Small Water System (SSWS) with a maximum of 14 connections to provide domestic water service to each of the proposed Residential Development Envelopes (RDEs). Each of the project components listed below are described in greater detail in Attachments B.1 and B.2 of the Planning Commission staff memorandum, dated March 9, 2017 (included as Attachment 6 to this Board Agenda Letter).

Lot sizes and RDEs. Each of the thirteen proposed lots would have a designated residential development envelope (RDE), within which future residential development would be confined, including all residential accessory development. Future development located within the RDE's on all lots would be limited to a maximum area of 5 acres. Agricultural structures, including agricultural employee dwellings, could be located outside of the RDEs. Table 1 below summarizes the proposed lots and the RDE proposed within each lot. Although some of the RDEs are larger than 5-acres, future development within these RDEs would be confined to a 5-acre area.

Proposed Lot and RDE Sizes

Proposed Lot	Gross Acreage	Net Acreage	Residential Development Envelope (Acres)	Net Acreage Remaining for Agricultural Operations
Lot 1	202.2	197.6	7.2	190.4
Lot 2	166.4	161.8	9.6	152.2
Lot 3	166.4	163.1	15.2	147.9
Lot 4	191.6	191.1	2.7	188.4
Lot 5	160.0	160.0	8.8	151.2
Lot 6	161.2	161.2	6.5	154.7
Lot 7	206.0	206.0	7.0	199.0
Lot 8	259.0	259.0	3.6	255.4
Lot 9	438.4	438.4	3.8	434.6
Lot 10	596.8	596.8	5.5	591.3
Lot 11	428.8	428.8	2.6	426.2
Lot 12	369.1	369.1	2.6	366.5
Lot 13	604.7	600.8	2.3	598.5
Total	3,950.8	3,933.7	77.3	3,856.4

Site Access. Access to the newly created lots would be provided by existing agricultural roads located throughout the site. Shared access easements would follow these existing agricultural roads and utilize existing creek crossings. Individual driveways would extend from these private shared access roads to serve each of the proposed RDEs. All access roads and individual driveways proposed to serve the project would be improved in conformity with applicable County Fire Department roadway standards.

Grading. Grading would be required for the improvement of existing and proposed access roads and for future development within the RDEs. Five of the proposed driveways would require widening and may require grading to reduce slopes. An estimated 23,023 cubic yards of grading would be required for the access roads, including retaining walls up to 12 feet in height along the private driveway for proposed Lot 10. Grading for driveways would be required to be constructed in accordance with Santa Barbara County Fire Department standards which allow for gradients of up to 20% with extenuating circumstances. In addition, an estimated 10,997 cubic yards of excavation would be required for the installation of proposed water cisterns.

Infrastructure. Two shared water systems, one for domestic use and the other for agricultural use, would serve the project site. The shared water systems would rely on the existing on-site wells. A proposed State Small Water System (SSWS) utilizing the existing Well #13 (on proposed Lot 12) would provide domestic water service to each of the RDEs. In addition to or in lieu of the shared water system, domestic water could also be provided by single-parcel or multi-parcel water systems utilizing individual water wells serving individual parcels. For wastewater infrastructure, each of the proposed RDEs would be served by a private on-site septic system utilizing the leach line or drywell disposal method, as no public sewer is available in the project area. Utility easements would be co-located with proposed access roads.

B. Background

The proposed project was reviewed by the County Planning Commission at four separate hearings in 2017 (January 25, 2017, March 29, 2017, April 26, 2017 and May 31, 2017). At the January 25, 2017 hearing, the Planning Commission continued the project to March 29th and

requested that staff return with additional information regarding the project description and conditions of approval. At the March 29th hearing, the Planning Commission continued the project to April 26th at the request of the applicant to allow the project to be reviewed at a hearing when all Commissioners were present. At the April 26th hearing, the Commission first made a motion to approve the project based on staff's recommendation for approval. This motion failed by a vote of 3-2. A second motion was made to continue the project to May 31, 2017 with a request for staff to return with findings for denial of the project. This motion passed 3-2. On May 31, 2017 the Planning Commission voted 3-2 to deny the project. The findings for denial of the project are primarily based on the project's incompatibility with Goals and Policies contained in the Santa Barbara County Comprehensive Plan Agricultural Element.

A timely appeal of the Planning Commission's decision to deny the project was filed by the applicants on June 9, 2017. The Subdivision Map Act states that hearings before an appeal board or legislative body shall be held within 30 days after the date of a request for a hearing is filed by the subdivider (Cal. Gov. Code § 66452.5). If there is no regular meeting of the legislative body within the next 30 days for which notice can be given pursuant to Gov. Code § 66451.3, the appeal may be heard at the next regular meeting for which notice can be given. (Id.) Because there is no regular meeting of the legislative body within the next 30 days, the next regular meeting for which notice can be given is July 11, 2017. On June 20, 2017, the Board of Supervisors voted to set the hearing on this matter for July 11, 2017, begin the hearing on July 11th, and then continue the hearing to August 29, 2017, at the request of the appellants.

Staff has prepared findings for denial of the project for adoption by the Board of Supervisors (Attachment 1). These findings provide clarifications to the Planning Commission's adopted findings to reflect the Commission's discussion at the May 31st hearing.

C. Appellant Appeal Issues and Staff Responses

The appellants, Rancho La Laguna, LLC & La Laguna Ranch Company, LLC filed a timely appeal of the Planning Commission's denial of the proposed project. The appeal application (Attachment 2) contains a letter providing the issues raised on appeal. These issues and staff's responses are summarized below.

Appellants Appeal Issue #1: There is no evidence in the record to support speculations and contentions regarding potential project impacts on agricultural viability.

- a. **Issue 1a:** The appellants contend that without stating any evidentiary, zoning, or Comprehensive Plan basis, the three Commissioners who voted for denial of the project engaged in a wide range of speculation as to agricultural viability, the future of agricultural operations on the property following the subdivision, and conflicts between owner residences (that would ultimately be built on the proposed parcels after the subdivision) and agricultural operations. The appellants contend that the record clearly shows that all of the proposed parcels would be agriculturally viable. The appellants further contend that at least one Commissioner based their decision, in part, upon the fact that no one could guarantee that the parcels would remain in agricultural production following the subdivision. According to the appellant, no one can guarantee that any

parcel will remain in agricultural production in perpetuity and no such guarantee has been required in the County for other agricultural land divisions and is not included in any County ordinance or in the Comprehensive Plan.

Issue 1a. Staff Response: As discussed in the Planning Commission staff memorandum dated May 11, 2017 (Attachment 5), incorporated herein by reference, the findings for denial of the project adopted by the Planning Commission are based on the project's inconsistency with Goals I, II, and III, and Policies I.A, II.D, and III.A contained in the Santa Barbara County Comprehensive Plan Agricultural Element. The Planning Commission weighed all of the evidence presented to them in order to make a decision on the project. In this case, following testimony by all parties and review of all materials, the Planning Commission voted to deny the project. The findings for denial were reviewed and adopted by the Planning Commission on May 31, 2017 as a part of their action to deny the project.

In their findings for denial, the Planning Commission did not find that the lots created by the subdivision would not be viable for agriculture. Rather, the Planning Commission found that the proposed subdivision would not ensure the continuation of the existing agricultural operations on the project site due to the potential for conflicts between agricultural and residential uses, and the separation of the existing agricultural operations onto smaller lots which may be owned and operated separately. Specifically, the Planning Commission noted that the location of the RDEs on lots 1-3, 5, 7, and 12 as being in close proximity to areas on the site which have been farmed in row crops. According to the findings, conflicts between the two uses could lead to adverse modifications or reductions in the existing agricultural operations on the site which would violate the integrity and continued agricultural use of the site as well as discourage the expansion of the existing agricultural operations. The Planning Commission also found that the proposed subdivision would affect the economic viability of adjacent large agriculturally zoned lands due to the increased land values resulting from the subdivision. Additionally, the existing access roads on the site do not meet County Fire Department Standards for the proposed 13 lot subdivision. The project description states that all access roads and individual driveways proposed to serve the project would be improved in conformity with applicable County Fire Department roadway standards. This would include paving and grading to widen and improve the existing access roads. The Planning Commission found that completion of the access improvements would result in the removal of impediments to growth which are currently in place since the proposed project would improve the main access roads through the site which extend to the adjacent parcels to the north.

- b. Issue 1b.:** The appellants state that the record shows that the Agricultural Preserve Advisory Committee (APAC) concluded that all proposed parcels would be eligible for Williamson Act Contracts and unanimously determined the Tract Map to be consistent with the County's Uniform Rules for Agricultural Preserves and Farmland Security Zones.

Issue 1b. Staff Response: The proposed project was reviewed by the APAC on October 3, 2008 where it was found to be consistent with the Uniform Rules for Agricultural Preserves. The subject lots are no longer under Williamson Act Contract. However, both the existing and proposed lots associated with the Tract Map are eligible for Williamson Act Contracts. The findings for denial adopted by the Planning Commission (Attachment 5) did not find the project to be inconsistent with the Uniform Rules for Agricultural Preserves and Farmland Security Zones.

- c. **Issue 1c.:** The appellants state that the record shows that the Final Environmental Impact Report (EIR) prepared for the project (16-EIR-01) resulted in no Class I (Significant and Unavoidable) environmental impacts on any resources, including agricultural, biological, and cultural resources, and that all impacts could be reduced to less than significant with the incorporation of mitigation measures into the project. The appellants note that the impacts of the project on agricultural resources was determined to be Class III (less than significant) and cites the discussion from the EIR related to agricultural impacts AG-1, AG-2, and AG-3. The appellants also state that the EIR analyzed the project's consistency with agricultural policies in the Comprehensive Plan Agricultural Element and Land Use Element and concluded that the project is consistent with all of those policies. The appellants cite the Agricultural Viability Study and Rangeland Assessment (Sage Associates, September 2007) as well as the Draft Mitigated Negative Declaration prepared by P&D dated September 10, 2010 as evidence supporting the EIR's determination that all of the lots created by the Tract Map would be agriculturally viable.

Issue 1c. Staff Response: The Final EIR, including the Comprehensive Plan consistency analysis contained within, was not certified by the Planning Commission. The policy consistency analysis contained in the final EIR is preliminary. The Planning Commission is responsible for finding projects consistent with the Comprehensive Plan. In this case, the majority of the Planning Commission disagreed with the analysis and conclusions contained within the EIR, and the project was found to be inconsistent with the Comprehensive Plan's Agricultural Element. The findings for denial of the project adopted by the Planning Commission (Attachment 5), did not find that the lots created by the subdivision would not be viable for agriculture or conflict with the Williamson Act. As discussed in the staff response to appeal issue 1.a above, the Planning Commission found that the proposed project would be inconsistent with Goals and Policies contained in the Santa Barbara County Comprehensive Plan Agricultural Element since the project would not ensure the continuation of agriculture on the project site and may encourage further subdivision of agriculturally zoned parcels located adjacent to the project site.

- d. **Issue 1d.:** The appellants cite language from the Agricultural Element (p 26) pertaining to concerns associated with land divisions, specifically economic viability. The appellants contend that this section of the Agricultural Element only applies to land divisions that result in small parcels that are not agriculturally viable.

Issue 1d. Staff Response: The findings for denial of the project adopted by the Planning Commission (Attachment 5) did not find that the proposed Tract Map would result in the creation of lots which are not viable for agriculture. The findings for denial state that the

increased land values resulting from smaller lots may lead to an increase in the speculative value of adjacent agricultural lands based on its perceived subdivided value making those lots less economically viable for agricultural uses. The findings also refer to the Agricultural Element which states that once the economic viability of the land is lost, there is inherently increased pressure for further division of the property and ultimate conversion of the agricultural land to urban uses.

Appellants Appeal Issue #2: The Planning Commission spent little time discussing the findings, focusing on their individual feelings and fears. The appellants contend that the Commission did not discuss the findings for denial of the project or any evidence supporting the findings for denial. The statements in italics below are the appellants summary of statements that were made by Commissioners on the record at the May 31, 2017 hearing. The appellants contend that these statements cannot be supported by substantial evidence in the administrative record or by adopted County policies.

- a. **Issue 2a:** *Can't support dividing large agricultural parcels, especially those that are remote and surrounded by parcels as large as 2,000 – 6,000 acres each.* The appellants contend that there is no County ordinance or policy that prohibits a land division into parcels that are smaller than surrounding parcels. The appellants further contend that Rancho La Laguna is surrounded by parcels of a wide range of sizes and many of the neighboring parcels are comparable in size or smaller than the parcels proposed under the subject Tract Map. The appellants contend that the reason for the diversity in parcel sizes in this area is a result of varying topography from canyons with relatively level cropland, to rolling hills with crops and vineyards, to steep hillsides that are suitable only for grazing and watershed.

Issue 2a. Staff Response: Subdivisions are approved by the County based on their conformity with the County's Land Use and Development Code, Subdivision regulations (Chapter 21 of the Santa Barbara County Code), and consistency with the Comprehensive Plan. As discussed in the Planning Commission staff memorandum dated May 11, 2017, incorporated herein by reference, the Planning Commission found that the acreages that are proposed for lots 1 (202.2-acres), 2 (166.4-acres), 5 (160-acres), 6 (161.2-acres), 12 (369.1-acres), and 13 (604.7-acres) are inconsistent with the acreages of the surrounding adjacent lots located northeast, southeast, and southwest of the project site which are significantly larger ranging in size from approximately 1,000-acres to approximately 3,000-acres. In making this finding, the Planning Commission considered Attachment F (Proposed Tract Map & Surrounding Lots) of the Planning Commission staff memorandum dated March 9, 2017, incorporated herein by reference. The Planning Commission found that approval of the proposed subdivision could encourage further subdivision of these adjacent lots due to the increased perceived subdivided value of the land. Additionally, the existing access roads on the site do not meet County Fire Department Standards for the proposed 13 lot subdivision. The project description states that all access roads and individual driveways proposed to serve the project would be improved in conformity with applicable County Fire Department roadway standards. This would include paving and grading to widen and improve the existing access roads. The Planning Commission found that completion of the access improvements would

result in the removal of impediments to growth which are currently in place since the proposed project would improve the main access roads through the site which extend to the adjacent parcels to the north. As a result, the Planning Commission found the project to be inconsistent with Goals I, II, and III, and Policies I.A, II.D, and III.A contained in the Santa Barbara County Comprehensive Plan Agricultural Element, and the project was denied.

- b. **Issue 2b.:** *The RDEs are larger than the 2-acres allowed under the Williamson Act.* The appellants contend that the Williamson Act is strictly voluntary and that County practice and policy has been that no one will be forced into participating in the Williamson Act. Further, the appellants state that the proposed RDEs generally exceed the ultimate building site size to give the owner flexibility in siting. The RDEs were sited and inspected by experts to avoid, to the extent feasible, visual, biological, geological and cultural impacts, and to avoid prime soils, all with the intent of minimizing environmental impacts. The appellants contend that the RDEs also allowed the EIR to accurately analyze, using a worst-case approach, environmental impacts of the ultimate construction of an owner's house on each proposed parcel.

Issue 2b. Staff Response: Please see the staff response to appeal issues 1a and 1c. The findings for denial of the project adopted by the Planning Commission (Attachment 5), did not find that the proposed project would conflict with the Williamson Act.

- c. **Issue 2c.:** *There could be incompatibility between land uses on adjacent parcels.* The appellants contend that this statement is purely theoretical and not based upon any evidence in the record. The appellants cite the EIR's conclusion that the project would not result in significant impacts to the environment with mitigation. The appellants also contend that the smallest proposed parcel exceeds 160-acres and with the limitation requiring non-agricultural structures to be located within the RDEs, each of which is located a substantial distance from the property lines, the potential for one neighbor's agricultural operation interfering with another's operation is remote.

Issue 2c. Staff Response: The Planning Commission's findings for denial of the project (Attachment 5) do not find that the proposed project would result in incompatibility between land uses on neighboring parcels.

- d. **Issue 2d.:** *Fear that agriculture will not continue on the parcels – we need a guarantee of continued agriculture.* The appellants contend that there is no County policy or land use regulation that requires, or allows the County to require, a landowner to stay in agriculture. The appellants state that this applies equally to the existing parcel and all proposed parcels and that the applicant cannot be required to make such a guarantee. The appellants also state that with such valuable farm and grazing land, there is no basis for concluding that future owners will not make use of these assets, particularly the farm land which in Santa Barbara County is highly profitable. The appellants contend that since the property is so remote it would not make sense for someone living on the lots to not conduct agriculture personally or lease the land to third parties to farm and graze it.

Issue 2d. Staff Response: Please see the staff response to appeal issue 1a.

- e. **Issue 2e.:** *Creating more lots than exist, with a residence on each lot, is urbanization that is contrary to the Agricultural Element. Houses, fences, lights on the houses, and utility infrastructure for the houses create an urban influence in a very rural location.* The appellants contend that the Agricultural Element and other County policies and ordinances do not regard the owner's house on agricultural land as being "urban", and scattered residences and fences are entirely consistent with rural land. The appellant further contends that the limited lighting from these houses and utility lines on rural parcels do not make an area urban. The appellants cite the Webster's dictionary definition of "urban" as: "of, relating to, characteristic of, or constituting a city." The appellants also cite Uniform Rule No. 1 which states: "The Board of Supervisors recognizes the importance of providing housing opportunities on agricultural land enrolled in the Agricultural Preserve Program, in order to accommodate landowners and their agricultural employees." The appellants state that the AG-II-100 zone district allows, in addition to agriculture, a single family dwelling, a guest house, and residential accessory uses and structures and that under the Zoning Ordinance and Uniform Rules, the owner's residence and associated development site is not an urban use but are allowed uses in the agricultural zone and in agricultural preserves. The appellants contend that the characterization of the owner's residence (and the building site for same) on any of the proposed Rancho La Laguna lots as being "urban" is inaccurate and contrary to State and County laws, ordinance and policies that acknowledge that a residence on an agricultural parcel is both acceptable and appropriate. The appellants contend that the owner's residence is a part of the agricultural operation.

Issue 2e. Staff Response: At the May 31, 2017 hearing, several Commissioners stated that the construction of additional residences and accessory structures and associated lighting, fencing, and utilities on the 12 new lots would have the effect of creating an adverse urban influence within the rural project site area. In the adopted findings for denial of the project (Attachment 5), the Planning Commission found that the close proximity of residential development within the RDEs to agricultural cultivation could create conflicts between the two uses which would violate the integrity and discourage the expansion of the existing agricultural operations on the project site. As a result, the Planning Commission found the project inconsistent with the Comprehensive Plan Agricultural Element. The subject parcels are not under Williamson Act Contract and are therefore not subject to the Uniform Rules for Agricultural Preserves and Farmland Security Zones.

- f. **Issue 2f.:** *Close proximity to residences to the farm fields on their parcels will result in conflict between residents of the house and agricultural production.* The appellants contend that the underlying premise that the owner's residence and the agricultural operation are conflicting uses is contrary to the facts and there is no factual basis for contending that the farmer/rancher would live on the land but be bothered by the agriculture that provides much or all of the family income. The appellants cite photograph evidence of farmers living adjacent to agricultural fields included as an Attachment to their appeal letter (Attachment 2).

Issue 2f. Staff Response: As discussed in the staff response to appeal issue 1a, the Planning Commission found that the proposed subdivision would not ensure the continuation of the existing agricultural operations on the project site due to the potential for conflicts between agricultural and residential uses, and the separation of the existing agricultural operations onto smaller lots which may be owned and operated separately. Specifically, the Planning Commission noted the location of the RDEs on lots 1-3, 5, 7, and 12 as being in close proximity to areas on the site which have been farmed in row crops. According to the findings, conflicts between the two uses could lead to adverse modifications or reductions in the existing agricultural operations on the site which would violate the integrity and continued agricultural use of the site as well as discourage the expansion of the existing agricultural operations.

- g. **Issue 2g.:** *There is a project here, but this isn't it. The parcels should be larger and fewer.* The appellants contend that this statement is an opinion that has no basis in evidence or County policy, demonstrating that the decision was arbitrary and capricious under the law.

Issue 2g. Staff Response: As stated in the staff response to issue 2a., the Planning Commission found that the acreages that are proposed for lots 1, 2, 5, 6, 12, and 13 are inconsistent with the acreages of the surrounding adjacent lots located northeast, southeast, and southwest of the project site which are significantly larger ranging in size from approximately 1,000-acres to approximately 3,000-acres. As noted above in the response to Appeal Issue 2a, incorporated herein by reference, the Planning Commission also found that the approval of the proposed subdivision could encourage further subdivision of these adjacent lots due to the removal of the impediments to growth which are currently in place (lack of access) as well as the increased perceived subdivided value of the land.

- h. **Issue 2h.:** *The land division shouldn't be approved because one or more of these parcels could be sold by the family to cover estate taxes or to raise capital for agricultural improvements and intensification.* The appellants state that since the proposed project would result in parcels that are all agriculturally viable, it makes no difference if an owner sells one or all of the parcels. The appellants further contend that the agricultural potential remains the same regardless of the owner. The appellants state that this statement is inconsistent with State law and is contrary to County ordinances and policies, all of which treat all similarly situated landowners the same. The appellants contend that expert testimony in the record demonstrates that being able to finance estate taxes or farm improvements by having more than one parcel to provide collateral is a benefit to the family farm or ranch, not a detriment to agriculture, provided that the parcels remain agriculturally viable. The appellants cite a letter from Mr. Larry Lahr of Rincon Corporation included in their appeal letter (Attachment 2) which explains the economic factors that comprise the viability of an agricultural operation.

Issue 2h. Staff Response: The findings for denial of the project adopted by the Planning Commission (Attachment 5), are not based on whether or not the newly created parcels

would be sold to cover estate taxes or raise capital for agricultural improvements and intensification.

- i. **Issue 2i:** *This land division is contrary to the Comprehensive Plan emphasis on agricultural viability.* The appellants state that this statement is not supported by the evidence in the record. The appellants cite the discussion included in the EIR and previous staff reports supporting approval of the project. The appellants state that staff was forced to ignore their recommendations for approval of the project and draft findings for denial but there is no evidence in the record to support those findings.

Issue 2i. Staff Response: As discussed in the staff response to issue 1c., the findings for denial of the project adopted by the Planning Commission (Attachment 5) did not find that the proposed Tract Map would result in the creation of lots which are not viable for agriculture. The findings for denial of the project are based upon the Planning Commission's analysis and determination that the project is inconsistent with the Comprehensive Plan. The findings for denial were reviewed and adopted by the Planning Commission on May 31, 2017 as a part of their action to deny the project and, as a result, the EIR was not certified.

- j. **Issue 2j:** *Land designated AC – Agricultural Commercial should not be divided. This is a step toward a more urban environment.* The appellants contend that there is no evidentiary basis for applying this principle to the Rancho La Laguna project. According to the appellant, creating lots ranging in size from over 160-acres to over 600-acres cannot be considered to be creating a more urban environment, especially in an area where parcels of no more than 100-acres are not unusual. The appellant states that there are no County ordinances or policies that support the contention that AC land may not be divided, if the land division meets minimum requirements set by zoning, and results in agriculturally viable parcels that meet the more general criteria for safe access, adequate services, and the requirements of the Subdivision Map Act.

Issue 2j. Staff Response: As stated in the staff response to issue 2a., the Planning Commission found that the acreages that are proposed for lots 1, 2, 5, 6, 12, and 13 are inconsistent with the acreages of the surrounding adjacent lots located northeast, southeast, and southwest of the project site which are significantly larger ranging in size from approximately 1,000-acres to approximately 3,000-acres. In making this finding, the Planning Commission considered Attachment F (Proposed Tract Map & Surrounding Lots) of the Planning Commission staff memorandum dated March 9, 2017, incorporated herein by reference. The Planning Commission found that approval of the proposed subdivision could encourage further subdivision of these adjacent lots due to the increased perceived subdivided value of the land. The findings for denial of the project adopted by the Planning Commission (Attachment 5) are not based on the project's compatibility with the AC Land Use Designation.

Appellant Appeal Issue #3: The findings adopted by the Planning Commission are not supported by substantial evidence in the record and are contrary to the overwhelming evidence in the record.

- a. **Issue 3a.:** The appellants contend that the findings adopted by the Planning Commission conclude, with no evidence whatsoever in the EIR or elsewhere in the record, that a future residence on any of the proposed lots “has the potential to create conflicts between the existing agricultural operations and future residential uses.” The appellants state that the RDEs are of ample size, and of adequate setback between the closest edge of the RDE and the fields, for an owner to avoid siting the house close to cultivated agriculture. The appellants state that landscape screening could provide an additional barrier between the residence and agricultural fields. The appellants state that siting homes adjacent to cultivated agriculture is common in Santa Barbara County. Aerial photographs of homes located adjacent to cultivated agriculture were provided by the appellant to the Planning Commission and as an attachment to their appeal letter (Attachment 2).

Issue 3a. Staff Response: As discussed in the staff memorandum dated May 11, 2017, incorporated herein by reference, the boundary of the proposed RDEs on lots 3 and 7 would be located within 50 feet from the edge of existing cultivated fields on those lots. The Planning Commission’s adopted findings for denial of the project state that the future residential structures and uses located within the RDEs in close proximity to areas utilized for agricultural cultivation could result in conflicts between the two uses leading to adverse modifications or reductions in the existing agricultural operations on the site. There are no proposed conditions of approval which require landscape screening to provide a barrier between the residential areas and cultivated agricultural fields. As noted in response to appeal issue 1c, the final EIR was not certified by the Planning Commission.

- b. **Issue 3b.:** The appellants contend that there is no factual basis in the findings conclusion that the division of the ranch into 13 lots would not assure and enhance agricultural operations on the site. The appellants state that the conclusions reached in the EIR including the agricultural analysis prepared by Orrin Sage each one of the lots created by the subdivision are agriculturally viable as stand-alone units.

Issue 3b. Staff Response: As discussed in the staff response to issue 1c., the findings for denial of the project adopted by the Planning Commission (Attachment 5) did not find that the proposed Tract Map would result in the creation of lots which are not viable for agriculture. As discussed in the staff response to item 1a., the Planning Commission found that the proposed subdivision would not ensure the continuation of the existing agricultural operations on the project site due to the potential for conflicts between agricultural and residential uses, and the separation of the existing agricultural operations onto smaller lots which may be owned and operated under separate ownership. The conclusions reached in the findings are based upon the Planning Commission’s analysis and determination that the project is inconsistent with the Comprehensive Plan. The findings were reviewed and adopted by the Planning Commission on May 31, 2017 as a part of their action to deny the project.

Appellant Appeal Issue #4: The revised Comprehensive Plan consistency analysis is deeply flawed.

- a. **Issue 4a.:** The appellants state that the findings reference a revised policy consistency analysis that directly conflicts with the evidence, clear wording of county policies, and the policy consistency analysis originally presented by staff to the Planning Commission. The appellants contend that the original policy consistency analysis supporting approval of the project comports with the actual wording of county policies, and that the revised policy consistency analysis does not. The appellants state that the conclusions in the revised Comprehensive Plan consistency analysis included in the Planning Commission staff memorandum dated May 11, 2017 (Attachment 5) have no basis in evidence or in the actual county policy documents cited.

Issue 4a. Staff Response: The Planning Commission is responsible for finding projects consistent with the Comprehensive Plan. In this case, the majority of the Planning Commission disagreed with the analysis and conclusions contained in the original policy consistency analysis contained in the January 5, 2017 staff report (Attachment 7). The Commission requested that staff return with findings for denial of the project based on the project's inconsistency with the Comprehensive Plan. The Planning Commission reviewed the revised policy consistency analysis contained in the staff memorandum dated May 11, 2017 (Attachment 5) and found the proposed project to be inconsistent with Goals I, II, and III, and Policies I.A, II.D, and III.A contained in the Santa Barbara County Comprehensive Plan Agricultural Element.

- b. **Issue 4b.:** The appellants contend that the Planning Commission's finding that the close proximity of the RDEs to cultivated agriculture would create conflicts between future residential uses and agricultural uses is not based on facts in the record.

Issue 4b. Staff Response: Please see the staff response to appeal issue 1a.

- c. **Issue 4c.:** The appellants contend that the Planning Commission's finding that the proposed subdivision would not assure and enhance agricultural operations on the project site is untrue and unsupported by the record. The appellants cite the analysis contained within the EIR supporting the proposed subdivision as the sole evidence in the record.

Issue 4c. Staff Response: Please see the staff response to appeal issue 1a and 3b.

- d. **Issue 4d.:** The appellants contend that the Planning Commission's finding that the proposed subdivision is inconsistent with the acreages of surrounding adjacent lots is untrue and unsupported by the record.

Issue 4d. Staff Response: Please see the staff response to appeal issue 2a.

- e. **Issue 4e.:** The appellants contend that the Planning Commission's finding that the installation of utilities such as the proposed State Small Water System and access roads to serve each of the new lots may lead to additional development since it would remove the impediments to growth which are currently in place (lack of access, utilities) is contrary to the evidence in the record. The appellants also contend that subdivision of the

property would not set a precedent to allow for the subdivision of adjacent agriculturally zoned parcels.

Issue 4e. Staff Response: The project site does not currently contain a domestic water system designed to accommodate future development associated with the proposed project and the existing access roads on the site do not meet County Fire Department Standards for the proposed 13 lot subdivision. The project description states that all access roads and individual driveways proposed to serve the project would be improved in conformity with applicable County Fire Department roadway standards. This would include paving and grading to widen and improve the existing access roads. These access improvement requirements are included in the Santa Barbara County Fire Department memorandum dated January 12, 2017 included in the Planning Commission staff memorandum dated March 9, 2017 (Attachment 6). As noted above in the response to Appeal Issue 2a, the Planning Commission found that completion of these access improvements would result in the removal of impediments to growth which are currently in place since the proposed project would improve the main access roads through the site which extend to the adjacent parcels to the north, and would provide additional utilities onsite for future development which are not currently available. The Planning Commission found that the removal of these impediments could encourage further subdivision of agriculturally zoned land located adjacent to the project site due to its perceived subdivided value.

- f. **Issue 4f.:** The appellants contend that there is no factual basis to support the Planning Commission's finding that the proposed project is inconsistent with the Open Space Element impacts to agriculture resulting from subdividing larger ranches into smaller lots. The appellants contend that the Open Space Element language (pg. 10) which states: "Most vulnerable are farm operations that have low or declining profit margins, especially when this results from the land being assessed for its development potential rather than its agricultural yield" is no longer valid because of Proposition 13 and the Williamson Act.

Issue 4f. Staff Response: One of the major open space issues identified in the Comprehensive Plan Open Space Element is the conflict between urban growth and the preservation/extension of agriculture. The Open Space Element (pg 10) states in part that: "Agriculture, the County's largest industry, constantly is threatened by development pressures... Most vulnerable are farm operations that have low or declining profit margins, especially when this results from the land being assessed for its development potential rather than its agricultural yield". The Open Space Element goes on to state: "Continuation of the present trend of subdividing large ranches into lesser sites inevitably will raise surrounding land values and taxes to levels that eventually will make it difficult to preserve agriculture in the County. Once the change from larger agricultural holdings to smaller acreage occurs, the County can anticipate applications for lot-splits and re-subdivisions into smaller sites." The Planning Commission found that the increased land values may lead to an increase in the speculative value of adjacent agricultural lands based on its perceived subdivided value making it less economically viable for agricultural uses.

- g. Issue 4g.:** The appellants contend that the Planning Commission's application of language from the Agricultural Element in the findings for denial regarding economic viability is not correct since its references to "urban" relate to conflicts between agriculture uses and encroaching small lot subdivisions or other types of commercial land uses located on adjacent land (non-agricultural uses accompanied by heavy vehicular traffic and dense human populations who are intolerant of the noise, odors, dust, etc. generated by agriculture). The appellants summarize their interpretation of the Agricultural Element's Goals and Policies and state that there is nothing in these Goals and Policies which uses the language or expresses the meaning set forth in the findings adopted by the Planning Commission.

Issue 4g. Staff Response: As discussed in the response to appeal issue 1a, the findings for denial of the project are based on the project's inconsistency with Goals I, II, and III, and Policies I.A, II.D, and III.A contained in the Santa Barbara County Comprehensive Plan Agricultural Element. Goal II of the Agricultural Element states that agricultural lands shall be protected from adverse urban influence. At the May 31, 2017 Planning Commission hearing, several Commissioners stated that the construction of additional residences and accessory structures and associated lighting, and fencing would have the effect of creating an urban influence within the rural project site area. In addition, the Planning Commission found that the proposed project has the potential to create conflicts between the existing agricultural operations and future residential uses which would be developed on the new lots which could lead to adverse modifications or reductions in the existing agricultural operations on the site.

Appellant Appeal Issue #5: The appellants state that the findings upon which the Planning Commission based its denial are flawed. The appellants contend that the findings must demonstrate a logical path connecting the evidence in the record with the final decision and there must be a firm factual basis for findings made and findings cannot be based on untrue or improper interpretations and characterizations of facts, laws and policies. The appellants cite Findings 2.1.4, 2.2.A.2, 2.2.A.3 (a,e), and 2.3.A.6 included in the Planning Commission staff memorandum dated May 11, 2017 (Attachment 5), incorporated herein by reference. According to the appellants, because these findings are based upon the false premise that the project is inconsistent with the Agricultural Element, they are false and without factual basis. Regarding Finding 2.2.A.3.e, the appellants contend that this finding is not supported by any evidence in the record and that it conflicts with the conclusions reached in the EIR that the project would not significantly fragment habitats or impact wildlife corridors.

Staff Response: The findings for denial of the project adopted by the Planning Commission are based on the project's inconsistency with Goals I, II, and III, and Policies I.A, II.D, and III.A contained in the Santa Barbara County Comprehensive Plan Agricultural Element. Although the draft Final EIR concluded that the proposed project would result in less than significant impacts with mitigation to biological habitat and wildlife corridors, the Planning Commission did not support these conclusions and the EIR was not certified.

Appellant Appeal Issue #6: The appellants contend that the proposed project should be approved since it is consistent with all Comprehensive Plan policies, results in lots which exceed the 100-acre minimum size allowed under the AG-II-100 zone district, and the Final EIR concluded that the proposed project would result in less than significant impacts to the environment.

Staff Response: As discussed in the response to appeal issue 1a, the findings for denial of the project are based on the project's inconsistency with Goals I, II, and III, and Policies I.A, II.D, and III.A contained in the Santa Barbara County Comprehensive Plan Agricultural Element. The Planning Commission weighed all of the evidence presented to them in order to make a decision on the project. In this case, following testimony by all parties and review of all materials, the Planning Commission voted to deny the project. The findings for denial were reviewed and adopted by the Planning Commission on May 31, 2017 as a part of their action to deny the project.

Fiscal and Facilities Impacts:

Budgeted: Yes

The costs for processing appeals are provided through a fixed appeal fee and funds in P&D's adopted budget. Total costs for processing the appeal are approximately \$11,300.00 (60 hours). The costs are partially offset by the appeal fee of \$505.00. This work is funded in the Planning and Development Permitting Budget Program, as shown on page D-289 of the adopted 2017-2018 FY budget.

Special Instructions:

The Clerk of the Board shall publish a legal notice at least 10 days prior to the hearing on July 11, 2017. The notice shall appear in the Santa Barbara News Press (labels attached). The Clerk of the Board shall fulfill noticing requirements. A minute order of the hearing shall be forwarded to the Planning and Development Department, Hearing Support, Attention: David Villalobos. A second minute order of the hearing shall be forwarded to the Planning and Development Department, Development Review, Attention: Dana Eady.

Attachments:

1. Board of Supervisors Findings
2. Appeal Application to the Board of Supervisors
3. Final EIR (entire document provided to the Board of Supervisors and available online at: <http://www.sbcountyplanning.org/projects/06TRM-00002RanchLaLaguna/index.cfm>)
4. Planning Commission Action Letter, dated June 2, 2017
5. Planning Commission Staff Memorandum, dated May 11, 2017
6. Planning Commission Staff Memorandum, dated March 9, 2017
7. Planning Commission Staff Report, dated January 5, 2017
8. Notice of Exemption

Authored by:

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Development Review Division, Planning and Development Department